

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Thursday, January 20, 2005, 2:00 p.m.
Room W125, West Office Building, State Capitol Complex

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Merlynn T. Newbold, Committee Co-Chair
Sen. Chris Buttars
Sen. Allen M. Christensen
Rep. Bradley G. Last
Rep. David Litvack
Rep. Steven R. Mascaro
Rep. Roz McGee
Rep. Paul Ray
Rep. Aaron Tilton

Members Excused: Sen. Gene Davis

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Ron Stromberg, Acting Executive Director, Department of Human Services
Mark Ward, Deputy Director, Department of Human Services
Emma Chacon, Director, Office of Recovery Services
Sue Martell, Director, Office of Technology

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Killpack at 2:01 p.m.

Co-Chair Killpack welcomed everyone and reminded those who would be participating to state their name and sign the speaker list prior to giving testimony.

Co-Chair Newbold assumed the chair.

1. Department of Human Services - Department Overview

Fiscal Analyst, Thor Nilsen, presented an overview of the Department of Human Services. A summary of the Department is found under Tab 16 in the Budget Analysis binder and background information is contained in the COBI. The Department of Human Services includes several Divisions which are listed in the summary. Mr. Nilsen indicated that the Division of Juvenile Justice Services, although part of the Department of Human Services, is reviewed in the Executive Offices and Criminal Justice Subcommittee. All of the budget briefs in the binder will follow the same format: a brief introduction, brief discussion of the budget and information charts. Mr. Nilsen briefly explained the various charts. The overall budget recommendation for the Department is \$480,581,300, with the General Fund portion being \$240,877,800. This is a base budget and does not include any budget increases as recommended by the analyst or salary increases.

Ron Stromberg, Acting Executive Director, Department of Human Services, stated that in the next three meetings committee members will hear from each of the divisions and directors who will be discussing the needs of this state's most vulnerable adults and children, who range in age from newborn babies to those over 100 years of age. He said he knows the needs will far exceed the available revenue. He stated their request for increased funding will be

largely needed to replace budget cuts that have been taken over the past few years. The Department is using the Governor's budget as its basis for requested building blocks. He said when discussing Human Services it is easy to be caught up in numbers, as this Department is the largest department in state government with over 5,000 employees and about a half billion dollar budget. The Department provides services to over 300,000 individuals each year. He said that in these discussions many terms and acronyms will be used, such as case loads, percentage growth, waiting lists, etc, but he reminded committee members that these terms really represent people. He gave examples of who some of these acronyms represent. He indicated that the Department has great employees, who are faced day after day with society's worst problems and yet some of the greatest individual triumphs. He thanked the committee for taking the time to listen and consider these difficult issues and budgets.

2. Department of Human Services - Executive Director Operations

Budget information for the Executive Director Operations is found under Tab 17. Mr. Nilsen discussed the various divisions within the Executive Director Operations. He pointed out the recommended transfers including the "Carousel Project" to the Division of Child and Family Services and \$9,600 from the Division of Child and Family Services to other Department divisions for office space adjustments. He stated the recommended Intent Language will meet the new directives. The Analyst recommended base budget is \$19,969,200, with \$7,405,300 from General Funds.

Mark Ward, Deputy Director, Department of Human Services, stated they were not asking for new items or any change in the fees in the Office of Licensing. He indicated that during the last few years the Department has worked to manage the budget cuts, focusing on cutting administrative costs versus services. He said the service programs sustained a 6% reduction and administrative budgets were reduced by 22%. He said he wanted to report that the Foster Citizen Review Board was put on notice that there is a possibility medicaid funding available for that office will no longer be allowed. The Department has appealed this decision but it will take time for the issue to be resolved. After questions from the committee, Mr. Ward indicated that the transfer of the "Carousel Project" to DCFS would not compromise the services to these children who are served by multiple divisions.

3. Department of Human Services -Office of Recovery Services

Analyst Nilsen explained that the Office of Recovery Services is responsible for collecting funds owed to the state in Human Services and Medical Assistance areas and also collecting support payments from non-custodial parents for the custodial parent or the state if the child is in state custody. Information on this Office is found under Tab 21. Mr. Nilsen indicated that the Federal Incentive Grant is decreasing as more states are qualifying for this grant. This may necessitate the state replacing these reductions to keep the budget whole. He said that this Office is a heavy user of the State Information Technology Service and as caseloads and transactions have increased, a request has been made for \$72,100 in FY 2006 and a supplemental of \$66,300 for FY 2005 to cover these increased costs. He drew attention to the various charts under Tab 21 which highlight various functions of the Office. The Analyst recommended budget is \$44,670,500 with \$10,617,000 from General Funds.

Emma Chacon, Director, Office of Recovery Services, answered questions concerning Title IV-D and the e-REP system. She said Title IV-D is the title of the Social Security Act which funds the State Child Support Program. The e-REP is a computer system to manage public assistance eligibility cases. The old system is about 20 years old. Workforce Services has a project to replace that system to interface with many divisions. The Office of Recovery Services is one of those divisions and will have some cost in the e-REP development.

Ms. Chacon said she appreciated Mr. Stromberg's comments on putting a human face on these services. She said it is easy to look at Office of Recovery Services and just think of a collection agency, but it is here to serve people. She indicated that the increase in collections during the past ten years is attributed to significant changes in federal and state laws, increased technology and hard work on the part of the staff. She indicated the Office is tied to technology and is driven by compliance to federal law, which requires all state child support agencies to have a certified child support management information system. She reported that of the \$152,000,000 collected in child support, \$127,000,000 was sent to families and children. She said it is a significant program to children and

families as it helps them achieve self sufficiency and leave public assistance or making sure they never have need of public assistance. She indicated that the Office has already taken a reduction of \$1.5 million from the Federal Incentive Grant and in the future Utah may continue to get a smaller share of the pie. She stated she hoped the Committee understands the potential impact on services to the people if funds are not available and would hope that priority would be given to the requested building block if funding becomes available.

Ms. Chacon answered questions from the committee concerning medicaid collections, child support guidelines for state custody cases, applying interest charges to payments, barriers in collecting and tracking non-paying parents, and inter-state collections. She offered to help with specific cases with which committee members have concerns.

Mr. Stromberg distributed an Outcome Report for the Department of Human Services dated November 2004. He complimented Ms. Chacon on being an outstanding , knowledgeable director. Rep. Litvack stated he also would applaud Ms. Chacon and all of the division directors in both the Department of Human Services and Department of Health.

3. Approval of Minutes

MOTION: Sen. Butters moved to approve the minutes of 1-19-05. The motion passed unanimously.

4. Department of Human Services -Internal Services Funds

Analyst Nilsen stated that Tab 24 addresses the two Internal Service Funds that the Department operates. These funds serve divisions within the department. They do not do any statewide services for other departments. These two funds are General Services and Data Processing. More detailed information on these funds are found in the COBI. He said there is one issue that needs attention concerning FTEs. Data Processing is requesting an increase in their budget for 3 FTEs. Two of these new employees will help with a new integrated management information system for the Division of Service for People with Disabilities. The other one will be involved with the Division of Substance Abuse and Mental Health to improve their data systems. This committee does not appropriate any funds directly to the Internal Service Fund, but does authorize FTEs. This committee also sets rates for these two funds. No increase of rates is recommended. Mr. Ward explained the need for the increased FTEs. He said one of the FTEs is for the Division of Substance Abuse and Mental Health, which were merged through legislation, which currently has 14 different data base programs. The goal is to work to create one unified data base for all the clients that they serve which will improve the accuracy of the information they have. It will also improve effectiveness. He said it is not only a good thing to do but it is an emphasis of the branch of the federal government that funds mental health and substance abuse programs. The two additional employees are also needed to meet federal guidelines. Sue Martell, Director, Office of Technology, answered questions concerning the type of systems that will be used.

MOTION: Rep. Last moved to adjourn. The motion passed unanimously.

Co-Chair Newbold adjourned the meeting at 3:35 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Merlynn T. Newbold
Committee Co-Chair